

FMO

Entrepreneurial
Development
Bank



INTERIM REPORT 2024

← **Cover photo**

Senthil Kumar Sethuraman, Operations Manager of Taprobane Seafoods (Sri Lanka), shows a tray full of fresh shrimps from Taprobane's Erukkalampiddy farm, where sustainable Biofloc technology ensures high-density, high-yield farming with minimal water use and lower inputs per kilogram produced.

Through its support, FMO is empowering Taprobane to expand its capacity and innovate in farming practices. Taprobane is a leader in responsible seafood production, while investing in sustainable aquaculture to enrich communities, champion environmental conservation, and align with UN Sustainable Development Goals.

**WE ENABLE
ENTREPRENEURS TO
INCREASE INCLUSIVE
AND SUSTAINABLE
PROSPERITY**

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FMO is the Dutch entrepreneurial development bank

FMO is the Dutch entrepreneurial development bank. As a leading impact investor, FMO supports sustainable private sector growth in emerging markets and developing economies by investing in ambitious projects and entrepreneurs.

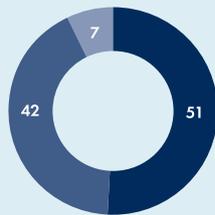
We believe in a world in which, by 2050, more than 9 billion people live well and within planetary boundaries. This is the future we are working towards in our long-term strategy towards 2030: Pioneer - Develop - Scale.

For more than 50 years we have been enabling entrepreneurs to make local economies more inclusive, productive, resilient and sustainable. We create development impact by being additional in financing the private sector in low- and middle-income countries, focusing on (1) Agribusiness, Food and Water, (2) Energy, and (3) Financial Institutions.

FMO has its head office in The Hague (the Netherlands) and local offices in Johannesburg (South Africa), Nairobi (Kenya), and San José (Costa Rica).

Organization and ratings

Ownership structure %



- The State of the Netherlands
- Dutch banks
- Employers' associations, trade unions, corporate and individual investors

Ratings

AAA

Fitch ratings

AAA

Standard&Poor's

5th

/1052 banks
Sustainalytics relative performance
(1st=lowest risk)

Prime

ISS ESG rating

Employees

828

Total number of employees

72

Number of nationalities

45%

women in senior and middle management

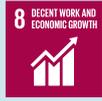
Financial performance



1. This is an alternative performance measure (APM) that is not included in the financial statements.

Half-Year 2024 Performance

Investing in inclusive and sustainable prosperity¹



Decent Work and Economic Growth



Reduced Inequalities

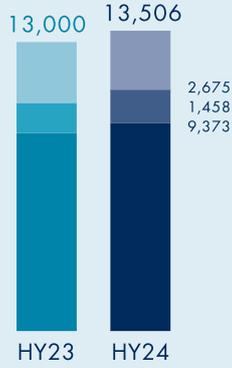


Climate Action

Total committed portfolio²

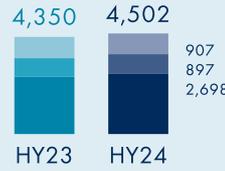
33% of our total committed portfolio aims to contribute to reduced inequalities and 37% to climate action.

- Direct mobilized funds
- Public funds
- FMO's balance sheet



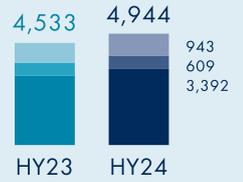
€13,506 million
Total committed portfolio

of which



€4,502 million
RI-labelled total committed portfolio

and

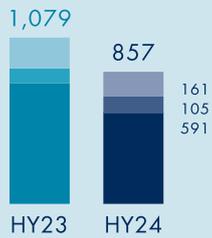


€4,944 million
Green-labelled total committed portfolio

Total new investments²

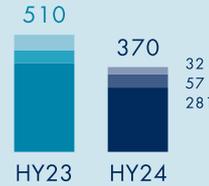
43% of our total new investment volume aims to contribute to reduced inequalities and 30% to climate action.

- Direct mobilized funds
- Public funds
- FMO's balance sheet



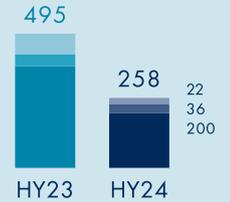
€857 million
Total new investments

of which



€370 million
RI-labelled total new investments

and

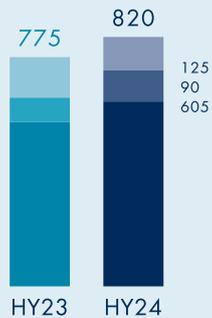


€258 million
Green-labelled total new investments

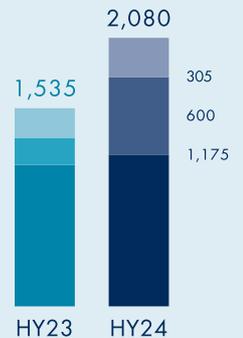
Other key indicators³

Our portfolio resulted in an estimated 820 thousand jobs supported and 2,080 ktCO₂e financed avoided GHG emissions.

- Direct mobilized funds
- Public funds
- FMO's balance sheet



820 thousand
Jobs supported



2,080 ktCO₂e
Total financed avoided greenhouse gas emissions

1. In addition to investments made on its own balance sheet, FMO also facilitates investments made through public funds and direct mobilized funds. The risk is for the providers of this capital.
 2. This is an alternative performance measure (APM) that is not included in the financial statements and is designed for steering purposes.
 3. The comparative figure for this indicator has been adjusted to include direct mobilized funds.

Gencia.

The Necochea Wind Farm, located in the province of Buenos Aires, Argentina, supplies green electricity to around 37,000 homes, avoiding ~75,000 tons of CO2 emissions annually.



NOTE FROM THE MANAGEMENT BOARD

Welcome to FMO's interim report 2024. The report reflects FMO's work in the first six months of this year, showing our commitment to enabling entrepreneurs to increase inclusive and sustainable prosperity.

Financial and impact results

Our financial results for the period ending 30 June 2024 present a net profit of €134 million (HY23: €44 million). The appreciation of currencies (mainly USD) against the Euro positively influenced our financial performance, resulting in an upward adjustment of our private equity portfolio. While regular income¹ is lower, due to lower net interest income compared to the same period last year, we managed to contain costs, resulting in a lower cost-to-regular-income ratio². The common equity tier 1 (CET-1) ratio at the end of the reporting period was 21.8%.

On 30 June our total committed portfolio was €13.5 billion (HY23: €13 billion). This included the growth of our Green-labelled total committed portfolio to €4.9 billion (HY23: €4.5 billion) and of our Reduced Inequalities-labelled total committed portfolio to €4.5 billion (HY23: €4.4 billion).³ While our investments in Financial Institutions have seen a strong first half year, our investments in Agribusiness, Food & Water and Energy will need to catch up in the second half of 2024. Pipeline build-up is looking promising for all sectors, which makes us cautiously optimistic for the achievement of our year-end ambitions.

On 24 April 2024, during the Annual General Meeting of shareholders, Eme Essien Lore was appointed as the sixth and final member of FMO's Supervisory Board.

In August 2023 we reported that, as a result of late notifications of unusual transactions to the Dutch Financial Intelligence Unit (FIU-NL) in 2021 and 2022, DNB decided on enforcement measures. FMO is appealing these administrative measures.

Outlook

To realize our 2024 ambitions, we will need to ensure our pipeline converts into transactions in a timely manner. In the long term, we see key challenges: a scarcity of investment-ready companies, the availability of concessional funding and increasing regulatory requirements. While we applaud regulatory requirements in general, upcoming stringent EU rules on sustainable finance risk hampering or even harming our ability to enable sustainable economic growth in emerging markets rather than advancing it, and we urge the EU Platform on Sustainable Finance to seriously review the current set-up.⁴ Close collaboration with our peer DFIs, and accelerating market creation will help us develop bankable business opportunities and ecosystems conducive to local sustainable economic growth, will benefit our ability to contribute to Global Gateway goals and will support Dutch trade opportunities. In addition, we will continue to focus on enhancing our efficiency. International developments will remain influential for our work. The current geopolitical tensions and conflicts, including the ongoing wars in Ukraine and Gaza, along with the numerous elections worldwide that have occurred or are due to take place, such as the presidential elections in the United States, have our full attention.

1 Regular income includes net interest income, net fee and commission income, dividend income and remuneration from services rendered.

2 The cost-to-regular-income ratio is operating expenses divided by regular income.

3 FMO labels investments in its portfolio if they are expected to contribute to specific green activities and/or reduced inequalities (RI). Other investments in our portfolio, not labelled green or RI, are also expected to contribute to FMO's impact objectives but are not covered by a defined label.

4 Press release: EU Sustainable Finance rules are essential, but revision needed for global impact | EDFI

Responsibility statement

In accordance with Article 5:25d(2)(c) of the Dutch Financial Supervision Act (*Wet op het Financieel Toezicht*) we state that, to the best of our knowledge:

- The 2024 condensed consolidated interim financial statements give a true and fair view of the assets, liabilities, financial position and profit of FMO and its consolidated undertakings;
- This Interim Report 2024 includes a fair overview of the important events that have occurred during the first six months of the financial year, and their impact on the condensed consolidated interim financial statements 2024; and
- This Interim Report 2024 includes a description of the principal risks and uncertainties for the remaining six months of the financial year.

The Hague, August 14, 2024

Fatoumata Bouaré, Chief Finance & Operations Officer

Franca Vossen, Chief Risk Officer

Huib-Jan de Ruijter, Co-Chief Investment Officer

Michael Jongeneel, Chief Executive Officer

Peter Maila, Co-Chief Investment Officer

RISK DEVELOPMENTS

For a detailed overview of FMO's risk governance and risk management approach please refer to the 'Risk Management' section in FMO's 2023 annual report. The risk developments in the first half year of 2024 are described below.

IFRS Reporting Requirement

Certain disclosures in this 'Risk Developments' section are an integral part of the 'Condensed consolidated interim accounts' and contain information covered by the independent auditor's review report. These relevant sections include risk disclosures of financial instruments (IFRS 7), capital disclosures (IAS 1) and Financial Economic Crime Risk. The reviewed section covered by the auditor's report runs from this introductory section through the 'Climate-related Risk' sub-section until the end of the 'Interest Rate Risk in the banking book' sub-section and 'Financial Economic Crime Risk' sub-section of this 'Risk Developments' section.

Climate-related risk

FMO defines climate-related risk as the risks posed by direct exposure to climate change, or indirect exposure through counterparties that may potentially be affected by, or contribute to, climate change. These include two strongly interlinked perspectives:

- An inside-out perspective, defined as the impact by FMO and its customers on climate (which is mainly covered by the ESG risk framework and integrated in FMO's investment process in credit decisioning and inclusion in some risk models);
- An outside-in perspective, defined as the impact on FMO due to physical and transition risks:
 - physical risks arising from the physical effects of climate change, either chronic or acute;
 - transition risks arising from the uncertainty related to the timing and speed of the process of adjustment to an environmentally sustainable economy. These risks can materialize through policies and regulations, technology, market developments or behavioral changes.

In 2021, FMO began a project to embed climate-related and environmental risks within the organization based on the ECB Guide on Climate Related and Environmental Risks. Since 2022 FMO is piloting its methodology by performing a portfolio scan in four servicing units (Financial Institutions, Energy, Agriculture, Food & Water, and Private Equity). The portfolio scan is the aggregated overview of climate-related risks in FMO's investment portfolio (i.e. all loans plus private equity exposures) and provides an initial assessment of climate-related risk exposures in industries and geographies, providing a view of risk concentrations in the portfolio. Risk areas identified by the portfolio scan can be followed up by a more in-depth analysis of specific transactions, industries or geographies. This is in line with the recommendations set out by the Task Force on Climate-Related Financial Disclosures (TCFD) and the ECB Guide on climate-related and environmental risks. In 2023, FMO formalized its portfolio scan on physical risks, which is submitted to the Financial Risk Committee (Investment Risk Committee prior to Q4 2023) on a quarterly basis. With regards to Transition risk, FMO has further developed its methodology for Policy and Legal and Reputational risks, while Market and Technology risks are expected to be further developed in 2024.

Since 2023, FMO has been developing an application to operationalize climate risk assessment further into the investment process. This will support FMO's deal teams step-by-step in carrying out the climate risk assessments. The application has recently been launched for FMO's Energy department and so far over 20 climate risk assessments at a customer level have been carried out by various deal teams. The application's use will be further expanded over the course of 2024, by its introduction into other sectors and departments (AFW, FI, PE). We expect the roll-out of this tool to significantly improve our data collection, and we are working on iteratively improving the application before and during implementation.

As part of our supervisory discussions, DNB is assessing FMO's progress in managing climate-related risks on a continuous basis. In Q1, FMO submitted a formal reaction to DNB's feedback letter regarding the Climate & Environmental (C&E) materiality assessment of 2023, where DNB already indicated that it

estimated that FMO was on track to have a sound and comprehensive assessment in place by 1 April 2024. DNB has reviewed this latest submission which did not lead to observations that required immediate follow-up. FMO is nevertheless expected to periodically review, update, and improve the C&E materiality assessment and to include outcomes in its Internal Capital and Liquidity Adequacy Assessment Process (ICAAP and ILAAP).

Finally, FMO has continued to work on integrating climate risks into internal policies and procedures and a climate risk policy has been established. For further information, please refer to the separate TCFD report.

Capital adequacy

FMO complies with CRR/CRD requirements and reports its capital ratios to the Dutch Central Bank every quarter. FMO calculates the capital requirement for its entire portfolio based on the standardized approach. As of the end of June 2024, the capital ratio was 22.71%.

Increased production during the first half-year, resulted in higher risk weighted assets (RWA) and higher deductions from own funds. The higher RWA, combined with lower own funds, decreased the total capital ratio by 0.3%.

FMO's capital ratio remains above the combined ratio of both the supervisory review and evaluation process (SREP) minimum and FMO's internal requirements.

(€ x 1,000)	June 30, 2024	December 31, 2023
IFRS shareholders' equity	3,671,396	3,512,784
Tier 2 capital	250,000	250,000
Regulatory adjustments:		
- Interim profit not included in CET 1 capital	-134,266	-22,047
- Other adjustments (deducted from CET 1)	-425,102	-382,556
- Other adjustments (deducted from Tier 2)	-121,249	-113,143
Total capital	3,240,779	3,245,038
<i>Of which Common Equity Tier 1 capital</i>	<i>3,112,028</i>	<i>3,108,181</i>
Risk weighted assets	14,272,523	14,128,491
Of which:		
- Credit and counterparty risk	10,902,299	10,794,894
- Foreign exchange	2,800,474	2,743,665
- Operational risk	554,290	570,780
- Credit valuation adjustment	15,461	19,152
Total capital ratio	22.71%	22.97%
Common Equity Tier 1 ratio	21.80%	22.00%

Following specific provisions in the CRR, FMO is required to deduct from its regulatory capital significant and insignificant stakes for subordinated loans, and (in)direct holdings of financial sector entities above certain thresholds. These thresholds correspond to approximately 10% of regulatory capital. Exposures below the 10% thresholds are risk-weighted accordingly.

Credit risk

In the first half of 2024, there were no new Country Risk Events or geopolitical developments that materially impacted FMO's loan portfolio quality.

FMO's NPE portfolio percentage saw a slight decrease in the first half of 2024, from 9.8% to 9.5%. The NPE portfolio increased from €511 million to €519 million. The main drivers of these movements were a modest inflow of new NPEs of €31 million and repayments of €32 million. There were only two minor

write-offs of €3 million in total, with the remaining movement of €12 million being primarily due to foreign exchange movements.

The largest new NPE (€15 million) relates to a customer in the Energy sector in Argentina. Similarly to 2023, FMO's NPEs are concentrated in the Energy, and Agribusiness, Food & Water sectors. Our NPEs in Financial Institutions remain low.

In terms of countries, NPEs are concentrated in Ukraine, Uganda and Honduras, which represented 16%, 14% and 11% of the total NPE portfolio respectively. Other countries with high NPEs are Argentina, Ghana, South Africa, Peru and Nepal.

Past due information related to FMO's portfolio loans and receivables are presented in the table below. This categorization does not apply to financial assets other than loans (this includes interest-bearing securities and short-term deposits).

June 30, 2024					
(€ x 1,000)	Stage 1	Stage 2	Stage 3	Fair Value	Total
Loans not past due	3,494,172	541,180	157,522	623,286	4,816,160
Loans past due:					
-Past due up to 30 days	205,223	37,341	22,965	-	265,529
-Past due 30-60 days	-	68,098	-	-	68,098
-Past due 60-90 days	-	-	8,700	-	8,700
-Past due more than 90 days	-	-	266,825	14,860	281,685
Gross Exposure	3,699,395	646,619	456,012	638,146	5,440,172
Less: amortizable fees	-31,650	-7,936	-3,101	24	-42,663
Less: ECL allowance	-22,447	-37,172	-189,849	-	-249,468
Less: FV adjustments	-	-	-	-34,894	-34,894
Carrying amount	3,645,298	601,511	263,062	603,276	5,113,147

December 31, 2023					
(€ x 1,000)	Stage 1	Stage 2	Stage 3	Fair Value	Total
Loans not past due	3,481,802	499,523	189,482	612,534	4,783,341
Loans past due:					
-Past due up to 30 days	156,313	14,807	16,892	-	188,012
-Past due 30-60 days	-	-	-	-	-
-Past due 60-90 days	-	-	8,807	-	8,807
-Past due more than 90 days	-	-	225,631	17,012	242,643
Gross exposure	3,638,115	514,330	440,812	629,546	5,222,803
Less: amortizable fees	-34,775	-5,728	-2,626	-	-43,129
Less: ECL allowance	-26,306	-32,811	-195,288	-	-254,405
Less: FV adjustments	-	-	-	-41,606	-41,606
Carrying amount	3,577,034	475,791	242,898	587,940	4,883,663

All interest-bearing securities (credit quality of AA or higher) and Banks (credit quality of BBB- or higher) are classified as Stage 1. An amount of €82k is calculated for the ECL of both asset classes as per 30 June 2024 (as per 31 December 2023 €94k).

The following table shows the credit quality and exposure to credit risk of the loans to the private sector at amortized cost and fair value on 30 June 2024.

June 30, 2024						
Indicative counterparty credit rating scale of S&P (€ x 1,000)	Stage 1	Stage 2	Stage 3	Fair value	Total	%
F1-F10 (BBB- and higher)	809,539	-	-	37,670	847,209	16%
F11-F13 (BB-,BB,BB+)	1,926,564	8,561	-	424,964	2,360,089	43%
F14-F16 (B-,B,B+)	894,501	56,607	-	99,873	1,050,981	19%
F17 and lower (CCC+ and lower)	68,791	581,451	456,012	75,639	1,181,892	22%
Gross exposure	3,699,395	646,619	456,012	638,146	5,440,172	100%
Less: amortizable fees	-31,650	-7,936	-3,101	24	-42,663	
Less: ECL allowance	-22,447	-37,172	-189,849	-	-249,468	
Less: FV adjustments	-	-	-	-34,894	-34,894	
Carrying amount	3,645,298	601,511	263,062	603,276	5,113,147	

December 31, 2023						
Indicative counterparty credit rating scale of S&P (€ x 1,000)	Stage 1	Stage 2	Stage 3	Fair value	Total	%
F1-F10 (BBB- and higher)	747,670	-	-	42,320	789,990	15%
F11-F13 (BB-,BB,BB+)	1,881,974	14,849	-	416,837	2,313,660	44%
F14-F16 (B-,B,B+)	893,297	167,248	-	95,885	1,156,430	22%
F17 and lower (CCC+ and lower)	115,174	332,233	440,812	74,504	962,723	18%
Gross exposure	3,638,115	514,330	440,812	629,546	5,222,803	100%
Less: amortizable fees	-34,775	-5,728	-2,626	-	-43,129	
Less: ECL allowance	-26,306	-32,811	-195,288	-	-254,405	
Plus: FV adjustments	-	-	-	-41,606	-41,606	
Carrying amount	3,577,034	475,791	242,898	587,940	4,883,663	

The following table shows the credit quality and exposure to credit risk of the financial guarantees on 30 June 2024.

Financial guarantees¹⁾					June 30, 2024
Indicative counterparty credit rating scale of S&P (€ x 1,000)	Stage 1	Stage 2	Stage 3	Total	
F1-F10 (BBB- and higher)	-	-	-	-	
F11-F13 (BB-,BB,BB+)	295,843	7,441	-	303,284	
F14-F16 (B-,B,B+)	27,540	-	-	27,540	
F17 and lower (CCC+ and lower)	17,220	-	12,650	29,870	
Sub-total	340,603	7,441	12,650	360,694	
ECL allowance	-917	-126	-292	-1,335	
Total	339,686	7,315	12,358	359,359	

¹ Financial guarantees represent €176 million classified as contingent liabilities and €185 million classified as irrevocable facilities.

Financial guarantees¹⁾
December 31, 2023

Indicative counterparty credit rating scale of S&P (€ x 1,000)	Stage 1	Stage 2	Stage 3	Total
F1-F10 (BBB- and higher)	-	-	-	-
F11-F13 (BB-,BB,BB+)	246,703	8,742	-	255,445
F14-F16 (B-,B,B+)	40,235	12,111	-	52,346
F17 and lower (CCC+ and lower)	16,803	-	25,814	42,617
Sub-total	303,741	20,853	25,814	350,408
ECL allowance	-936	-507	-9,837	-11,280
Total	302,805	20,346	15,977	339,128

¹ Financial guarantees represent €154 million classified as contingent liabilities and €196 million classified as irrevocable facilities

The following table shows the credit quality and exposure to credit risk of the loan commitments to the private sector on 30 June 2024. These represent contracts signed but not yet disbursed.

Loans commitments
June 30, 2024

Indicative counterparty credit rating scale of S&P (€ x 1,000)	Stage 1	Stage 2	Stage 3	Other¹⁾	Total
F1-F10 (BBB- and higher)	49,843	-	-	46,678	96,521
F11-F13 (BB-,BB,BB+)	327,660	800	-	12,452	340,911
F14-F16 (B-,B,B+)	121,361	56,341	-	2,727	180,428
F17 and lower (CCC+ and lower)	20,022	82,160	11,378	-	113,559
Total nominal amount	518,885	139,301	11,378	61,856	731,420
ECL allowance	-1,810	-8,101	-389	-	-10,300
Total	517,075	131,200	10,989	61,856	721,120

¹ Loan commitments for which no ECL is calculated (Fair Value loans).

December 31, 2023

Indicative counterparty credit rating scale of S&P (€ x 1,000)	Stage 1	Stage 2	Stage 3	Other¹⁾	Total
F1-F10 (BBB- and higher)	36,166	-	-	45,208	81,374
F11-F13 (BB-,BB,BB+)	243,561	13,562	-	3,018	260,141
F14-F16 (B-,B,B+)	246,573	85,786	-	6,278	338,637
F17 and lower (CCC+ and lower)	39,439	27,293	4,509	-	71,241
Total nominal amount	565,739	126,642	4,509	54,504	751,393
ECL allowance	-3,092	-6,458	-	-	-9,550
Total	562,647	120,184	4,509	54,504	741,843

¹ Loan commitments for which no ECL is calculated (Fair Value loans).

The following tables show the changes in loans, financial guarantees and loan commitments. Additions in the tables include newly originated exposures as well as drawdowns on existing exposures.

Changes in Loans to the private sector at AC in 2024 (€ x 1,000)

	Stage 1		Stage 2		Stage 3		Total	
	Gross amount	ECL allowance	Gross amount	ECL allowance	Gross amount	ECL allowance	Gross amount	ECL allowance
At January 1, 2024	3,603,340	-26,306	508,602	-32,811	438,186	-195,288	4,550,128	-254,405
Additions	540,714	-4,241	28,936	-2,603	-	-	569,650	-6,844
Exposure derecognised or matured/lapsed (excluding write offs)	-430,073	1,067	-37,849	1,670	-28,855	8,410	-496,777	11,147
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	-141,519	2,915	141,519	-2,829	-	-86	-	-
Transfers to Stage 3	232	-	-19,133	2,081	18,901	-2,081	-	-
Modifications of financial assets (including derecognition)	1,014	-	5	-	11,153	-	12,172	-
Changes in risk profile (including changes in accounting estimates)	-	4,767	-	-1,579	-	2,790	-	5,978
Amounts written off	-	-	-	-	-1,880	1,880	-1,880	1,880
Changes in amortizable fees	693	-	574	-	395	-	1,662	-
Premium/Discount	-22	-	-	-	-	-	-22	-
Changes in accrued income	501	-	-241	-	1,738	-	1,998	-
Foreign exchange adjustments	92,864	-648	16,270	-1,101	13,273	-5,474	122,407	-7,223
At June 30, 2024	3,667,744	-22,446	638,683	-37,172	452,911	-189,849	4,759,338	-249,467

Changes in Loans to the private sector at AC in 2023

	Stage 1		Stage 2		Stage 3		Total	
	Gross carrying amount	ECL allowance	Gross carrying amount	ECL allowance	Gross carrying amount	ECL allowance	Gross carrying amount	ECL allowance
Balance at January 1, 2023	4,019,439	-32,579	338,766	-17,223	521,762	-206,597	4,879,967	-256,399
Additions	1,158,476	-8,839	92,904	-9,840	-	-	1,251,380	-18,679
Exposure derecognized or matured/lapsed (excluding write offs)	-1,216,793	3,162	-85,688	1,605	-85,975	61,637	-1,388,456	66,404
Transfers to Stage 1	42,060	-1,673	-33,812	738	-8,248	935	-	-
Transfers to Stage 2	-225,869	5,116	287,726	-15,003	-61,857	9,887	-	-
Transfers to Stage 3	-38,567	209	-82,672	5,314	121,239	-5,523	-	-
Modifications of financial assets (including derecognition)	-8,059	-	4,743	-	13,069	-	9,753	-
Changes in risk profile (including changes in accounting estimates)	-	7,281	-	674	-	-102,521	-	-94,566
Amounts written off/disposals	-	-	-	-	-41,359	41,359	-41,359	41,359
Changes in amortizable fees	-911	-	703	-	1,032	-	824	-
Premium / discount	-44	-	-	-	-	-	-44	-
Changes in accrued income	11,414	-	1,345	-	-6,821	-	5,938	-
Foreign exchange adjustments	-137,806	1,017	-15,413	924	-14,656	5,535	-167,875	7,476
Balance at December 31, 2023	3,603,340	-26,306	508,602	-32,811	438,186	-195,288	4,550,128	-254,405

The full contractual amount of assets that were written off during the current and prior reporting period are still subject to enforcement activity.

**Movement
financial
guarantees¹ in
2024 (€ x
1,000)**

	Stage 1		Stage 2		Stage 3		Total	
	Outstanding exposure/ Nominal amount	ECL allowance	Outstanding exposure/ Nominal amount	ECL allowance	Outstanding exposure/ Nominal amount	ECL allowance	Outstanding exposure/ Nominal amount	ECL allowance
At January 1, 2024	303,741	-936	20,853	-507	25,814	-9,837	350,408	-11,280
Additions	98,559	-279	-	-	-	-	98,559	-279
Exposures matured (excluding write- offs)	-74,082	236	-15,402	400	-14,004	7,467	-103,488	8,103
Changes to models and inputs used for ECL calculations	-	108	-	9	-	2,380	-	2,497
Foreign exchange adjustments	12,385	-46	1,990	-28	840	-302	15,215	-376
At June 30, 2024	340,603	-917	7,441	-126	12,650	-292	360,694	-1,335

¹ Financial guarantees represent €176 million classified as contingent liabilities and €185 million classified as irrevocable facilities.

**Movement
financial
guarantees¹ in
2023 (€ x
1,000)**

	Stage 1		Stage 2		Stage 3		Total	
	Outstanding exposure/ Nominal amount	ECL allowance	Outstanding exposure/ Nominal amount	ECL allowance	Outstanding exposure/ Nominal amount	ECL allowance	Outstanding exposure/ Nominal amount	ECL allowance
At January 1, 2023	305,172	-1,314	-	-	14,023	-10,717	319,195	-12,031
Additions	193,805	-1,084	978	-3	-	-	194,783	-1,087
Exposures matured (excluding write- offs)	-112,260	515	-16,376	28	-	-	-128,636	543
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	-42,260	210	42,260	-210	-	-	-	-
Transfers to Stage 3	-8,414	29	-	-	8,414	-29	-	-
Changes to models and inputs used for ECL calculations	-	540	-	-327	4,255	580	4,255	793
Foreign exchange adjustments	-32,302	168	-6,009	5	-878	329	-39,189	502
At December 31, 2023	303,741	-936	20,853	-507	25,814	-9,837	350,408	-11,280

¹ Financial guarantees represent €154 million classified as contingent liabilities and €196 million classified as irrevocable facilities.

Movement of loan commitments in 2024 (€ x 1,000)

	Stage 1		Stage 2		Stage 3		Total	
	Nominal amount	ECL allowance						
At January 1, 2024	565,739	-3,092	126,642	-6,458	4,509	-	696,890	-9,550
Additions	826,239	-1,284	-	-	-	-	826,239	-1,284
Exposures derecognised or matured (excluding write-offs)	-846,008	2,396	-28,938	1,128	-	-	-874,946	3,524
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	-43,403	125	43,403	-125	-	-	-	-
Transfers to Stage 3	-	-	-6,510	510	6,510	-510	-	-
Changes to models and inputs used for ECL calculations	-	122	-	-2,925	-	127	-	-2,676
Amounts written off	-	-	-	-	-	-	-	-
Foreign exchange adjustments	16,317	-77	4,704	-231	359	-6	21,380	-314
At June 30, 2024	518,884	-1,810	139,301	-8,101	11,378	-389	669,563	-10,300

Movement of loan commitments in 2023 (€ x 1,000)

	Stage 1		Stage 2		Stage 3		Total	
	Nominal amount	ECL allowance						
At January 1, 2023	426,057	-2,387	127,071	-6,185	5,504	-	558,632	-8,572
Additions	2,043,510	-5,183	13,665	-994	-	-	2,057,175	-6,177
Exposures derecognised or matured (excluding write-offs)	-1,831,516	3,778	-65,547	5,709	-1,176	-	-1,898,239	9,487
Transfers to Stage 1	-	-	-	-	-	-	-	-
Transfers to Stage 2	-56,473	484	56,473	-484	-	-	-	-
Transfers to Stage 3	-	-	-394	-	394	-	-	-
Changes to models and inputs used for ECL calculations	-	134	-	-4,704	-	-	-	-4,570
Amounts written off	-	-	-	-	-	-	-	-
Foreign exchange adjustments	-15,839	82	-4,626	200	-213	-	-20,678	282
At December 31, 2023	565,739	-3,092	126,642	-6,458	4,509	-	696,890	-9,550

The modelling methodologies applied in determining ECL in the current period are consistent with those applied in the financial year ending 31 December 2023.

The macroeconomic scenarios model was updated following the publication of new macroeconomic outlooks by the International Monetary Fund (IMF) in April 2024 (October 2023). The updates of the model based on GDP forecast caused new point-in-time adjustments to the probability of defaults in the impairment model, leading to a decrease of €0.7 million in combined stage-1 and stage-2 impairment charges.

IMF GDP % Growth Forecasts	2024	2023
Türkiye	3.1	2.7
India	6.8	5.9
Georgia	5.7	4.0
Argentina	-2.8	0.2
Nigeria	3.4	3.2
Uganda	5.6	5.7
Armenia	6.0	5.5
South Africa	0.1	0.1
Mongolia	6.5	4.5
Kenya	5.0	5.3
Ivory Coast	6.5	6.2
Ukraine	3.2	-3.0

The following tables outline the impact of multiple scenarios on the ECL allowance.

(€ x 1,000)	Total unweighted amount per ECL scenario	Probability	Loans to the private Sector	Guarantees	Bonds and cash	Total
ECL scenario:						
Upside	238,110	5%	11,861	41	4	11,906
Base case	261,183	50%	129,883	668	41	130,593
Downside	297,911	45%	133,080	943	37	134,060
Total at June 30, 2024			274,824	1,652	82	276,559

(€ x 1,000)	Total unweighted amount per ECL scenario	Probability	Loans to the private Sector	Guarantees	Bonds and cash	Total
ECL scenario:						
Upside	249,680	2%	4,778	213	2	4,994
Base case	275,327	50%	131,977	5,640	47	137,664
Downside	307,082	48%	141,513	5,840	45	147,399
Total at December 31, 2023			277,397	11,693	94	289,186

To demonstrate the sensitivity of the 'Significant Increase in Credit Risk' criteria, the tables below present the distribution of Stage 2 impairments by the criteria that triggered the migration to Stage 2.

(€ x 1,000)	Loans to private Sector	Guarantees	Loan Commitments	Total
More than 30 days past due	-	-	-	-
Deterioration in credit risk - financial difficulties	-37,172	-126	-8,101	-45,399
Total at June 30, 2024	-37,172	-126	-8,101	-45,399

(€ x 1,000)	Loans to private Sector	Guarantees	Loan Commitments	Total
More than 30 days past due	-	-	-	-
Deterioration in credit risk - financial difficulties	-32,811	-507	-6,458	-39,776
Total at December 31, 2023	-32,811	-507	-6,458	-39,776

FMO continues to support customers by undertaking several forbearance measures.

June 30, 2024

(€ x 1,000)	Loans to the private sector (Amortised Cost)	Loans to the private sector (Fair value)	Total
Performing	4,346,013	575,516	4,921,529
of which: performing but past due > 30 days and <=90 days	37,614	-	37,614
of which: performing forborne	368,838	53,102	421,940
Non Performing	456,012	62,630	518,642
of which: non performing forborne	278,679	53,102	331,781
of which: impaired	219,423	-	219,423
Gross exposure	4,802,025	638,146	5,440,171
Less: amortizable fees	-42,687	24	-42,663
Less: ECL allowance	-249,467	-	-249,467
Plus: fair value adjustments	-	-34,894	-34,894
Carrying amount at June 30	4,509,871	603,276	5,113,147

December 31, 2023

(€ x 1,000)	Loans to the private sector (Amortised Cost)	Loans to the private sector (Fair value)	Total
Performing	4,152,445	559,168	4,711,613
of which: performing but past due > 30 days and <=90 days	37,896	-	37,896
of which: performing forborne	351,681	47,565	399,246
Non Performing	440,812	70,378	511,190
of which: non performing forborne	261,082	47,565	308,647
of which: impaired	201,823	-	201,823
Gross exposure	4,593,257	629,546	5,222,803
Less: amortizable fees	-43,129	-	-43,129
Less: ECL allowance	-254,405	-	-254,405
Plus: fair value adjustments	-	-41,606	-41,606
Carrying amount at December 31	4,295,723	587,940	4,883,663

Equity investment risk

The first half of 2024 was marked by global uncertainty, emanating not least from elections that will have an impact on fiscal and monetary policies, as well as on the flow of FDI, especially to our geographies. Despite inflation cooling off in H1 from 2022/23 inflation peaks, interest rates have remained high. Given the diversity of our portfolio in terms of geography and sectors, the Private Equity portfolio is on track with our budget and performed slightly better than in H1 2023.

Concentration risk

Concentration risk is the risk that FMO's exposures are too concentrated within or across different risk categories. Concentration risk could trigger losses large enough to threaten our financial stability. Strong diversification within FMO's Emerging Market portfolio is ensured through stringent limits on individual counterparties, sectors, countries and regions.

Country risk

Country risk arises from country-specific events that adversely impact FMO's exposure to a specific country. They include any factors that can impact FMO's portfolio in a country. These include economic, banking or currency crises, sovereign defaults, and political-risk events. To ensure FMO's Emerging Market portfolio is sufficiently diverse, we use a country- and sector-limit framework. Country limits range from 8% to 22% of FMO's shareholders' equity, depending on the country rating, with higher limits in less risky countries. Sectoral exposures are limited to 50% of the country limit for each sector in any given country.

During the first six months of 2024, FMO began to take account of underlying investments within private equity funds and Arise B.V. when calculating country and sector risks. This data-intensive methodology requires more sources but enables FMO to track country and sector exposures with greater precision, thereby significantly enhancing our concentration-risk-management practices. Additionally, FMO has replaced a discontinued external rating service with a new provider and recalibrated its internal methodology. All in all, during the first half of 2024, FMO downgraded the credit ratings of Bolivia, Moldova, Pakistan and Ukraine by one on its internal country-rating scale and upgraded by one the credit ratings of Algeria, Argentina, Djibouti, Jamaica, Jordan, Myanmar, Nepal, Nicaragua, Tanzania, Yemen and Zambia.

Market risk

Currency risk

FMO's appetite for currency risk remained limited. Exposures are hedged through matching currency characteristics of assets with liabilities, or through derivative transactions such as cross-currency swaps or FX forwards conducted with either commercial parties or The Currency Exchange Fund (TCX Fund N.V.). Most currency exposures are hedged to US dollars on a micro-hedge basis, whereby the US dollar position is managed on a portfolio basis.

FMO does not take active positions in any currency for the purposes of making a profit. Each individual currency is managed within a strict position limit and an overall appetite breach level is set at 1% of shareholders equity for the total open position across all currencies. Individual exposures and total open currency positions were within risk appetite during the first six months of 2024. FMO deliberately maintains an unhedged foreign currency position, which stems from its private equity investments and serves as a structural hedge for our capital ratio.

Sensitivity of profit & loss account and shareholders' equity to main foreign currencies (€ x 1,000)

Change of value relative to the euro	June 30, 2024		December 31, 2023	
	Sensitivity of profit & loss account ¹	Sensitivity of shareholders' equity ²	Sensitivity of profit & loss account ¹	Sensitivity of shareholders' equity ²
USD value increase of 10%	179,945	17,117	177,718	15,712
USD value decrease of 10%	-179,945	-17,117	-177,718	-15,712
INR value increase of 10%	10,677	-	10,078	-
INR value decrease of 10%	-10,677	-	-10,078	-
ZAR value increase of 10%	3,117	-	3,372	-
ZAR value decrease of 10%	-3,117	-	-3,372	-

¹ The sensitivities employ simplified scenarios. The sensitivity of the profit & loss account and shareholders' equity to possible changes in the main foreign currencies is based on the immediate impact on the financial assets and liabilities held at half year and year-end, including the effect of hedging instruments

² Shareholders' equity is sensitive to equity investments valued at fair value through other comprehensive income.

Interest Rate Risk in the banking book

Interest rate risk is the risk of potential loss due to adverse changes to interest rates. Changing interest rates mainly influence the fair value of fixed interest balance sheet items, and affect our earnings by altering interest-rate-sensitive income and expenses, which in turn affects our net interest income (NII). FMO's appetite for interest rate risk is low and we do not take any active interest rate positions for the purposes of making a profit.

The interest rate gap and basis point value exposure are monitored each week against limits set by the Financial Risk Committee. The delta of the economic value of equity appetite breach limit is defined in the risk appetite framework and set at 5% of tier I. The NII-at-Risk limit is defined in the risk appetite framework and the appetite breach limit is set at 1% of tier I. Despite volatile rates in the United States,

Europe and beyond, our positions have remained within our risk appetite during the first half year of 2024.

Regulatory compliance risk

Regulatory compliance risk is the risk that FMO does not operate in accordance with the applicable rules and regulations, either by not identifying applicable regulations (or not doing so in time), or not adequately implementing and adhering to applicable regulations and related internal policies and procedures. As a licensed bank, FMO is subject to regulations across a wide range of regulatory topics. This section covers certain material regulatory updates relevant to FMO this year and in upcoming years.

Basel IV

The EU's new legislative package on the Capital Requirements Regulation (CRR) and Capital Requirements Directive (CRD) is aimed at implementing the Basel III (also known as Basel IV) standards within the EU. The legislative procedures are in the final stages and the new regulations will be implemented using a phased-in approach, starting in 2025. Under the new regulatory framework, FMO will be required to apply a higher capital charge for some types of credit risk exposures and for market risk. You can find a more detailed description of the changes that will have an impact on FMO in our 2023 Annual Report.

Corporate Governance Code

The Dutch Corporate Governance Code will be amended with the Statement on Risk Management ('Verklaring omtrent Risicobeheersing', or VOR). This amendment concerns the integration of the requirements of the European Sustainability Reporting Standards (ESRS) on risk management and the internal controls on sustainability reporting. It will be applicable for the first time (as part of the 'In control statement') for the annual report on the year 2025.

Digital Operational Resilience Act

The Digital Operational Resilience Act (DORA) is a European regulation aimed at establishing a uniform and comprehensive framework for digital operational resilience across the EU financial sector. DORA provides a single set of rules for the use of ICT systems by financial institutions, focusing on governance and board responsibilities, ICT risk management, security and business continuity, resilience testing, and third-party risk management. FMO is currently preparing for the implementation of DORA (including underlying applicable rules) as of 17 January 2025.

Corporate Sustainability Reporting Directive

The Corporate Sustainability Reporting Directive (CSRD) entered into force in 2023. It revises and extends the requirements of its predecessor, the Non-Financial Reporting Directive (NFRD). As a large public-interest entity, FMO falls under the scope of the NFRD and will be among the first tranche of institutions required to implement the CSRD. The CSRD will require organizations to report in line with the European Sustainability Reporting Standards (ESRS). FMO will issue its first report following the ESRS in 2025 on the financial year 2024. We are currently preparing for the implementation of the CSRD and ESRS as part of our EU Sustainable Finance project.

EU Taxonomy

In 2020, the European Commission introduced a taxonomy for sustainable activities. This is a classification system that defines criteria for economic activities that are aligned with a net-zero trajectory by 2050, and with broader environmental goals beyond climate alone. The regulation is still in development, but since 2023 banks have been required to report their level of taxonomy alignment with the first two environmental objectives (climate change mitigation and climate change adaptation), and their taxonomy eligibility on all six environmental objectives (the two objectives above, plus sustainable use and protection of water and marine resources; transition to a circular economy; pollution prevention and control; and protection and restoration of biodiversity and ecosystems).

FMO reported against these rules in our 2023 Annual Report and plan to continue reporting each year against the framework as it evolves. A more detailed description of our compliance with EU Taxonomy, along with its applicability to our activities, can be found in the FMO 2023 Annual Report.

EU AML/CFT Legislative package

In July 2021, the EU published its AML/CFT Legislative package, which included four legislative proposals: (i) a regulation establishing the new EU AML Authority, (ii) the revision of the 2015 Regulation on Transfers of Funds, (iii) the 6th Directive on AML/CFT and (iv) a new Regulation on AML/CFT. The Regulation on AML/CFT is most relevant for FMO as it contains the majority of legal requirements currently contained in the 5th AML/CFT Directive (e.g. requirements on CDD, FIU reporting, UBO and PEP), as well as certain new legal requirements. The package was adopted in May 2024 and is expected to enter into force in 2027.

GDPR

In 2024, FMO continued its roll out of the operational effectiveness of the GDPR (General Data Protection Regulation) framework, including implementing it within our business processes. As a result of a follow-up GDPR project, additional measures and controls have been implemented to further strengthen personal data security. Data privacy processes have also been reviewed and, where possible, efficiency improvements made. To increase FMO staff awareness on data security and privacy, several training sessions have been held across FMO and various articles published.

Financial Economic Crime Risk

In our continued efforts to implement learnings, FMO reviews its FEC framework with the KYC (Know Your Customer) Department on an ongoing basis. Compliance continues monitoring KYC files, using a sample-based approach. The sample taken is random and consists of at least 10% of all finalized KYC files in a given quarter. In addition, risk-based thematic monitoring is conducted on specific topics and processes. This approach further embeds the KYC responsibility within the investment teams.

In April 2024, Compliance rolled out an updated annual integrity refresher e-learning. Compliance also continued face-to-face awareness training sessions on FEC topics (e.g. unusual transactions, and Anti-bribery and corruption), as well as on Export controls and Dual use goods. These training sessions help strengthen awareness and the organization's anti-risk culture.

In respect of FMO's exposure to sanction measures, we continue to follow closely developments regarding EU sanction packages and measures in relation to the war in Ukraine, and to assess their potential impact on FMO activities.

In August 2023 we reported that, as a result of late notifications of unusual transactions to the Dutch Financial Intelligence Unit (FIU-NL) in 2021 and 2022, DNB decided on enforcement measures. FMO is appealing these administrative measures.

During Q4 2023 and Q1 2024, FMO conducted a company-wide Systematic Integrity Risk Analysis (SIRA). Its purpose was to gain insights into the inherent risks facing the organization, in particular FEC risks, and then determine whether the control measures FMO implements are sufficiently effective. In the light of the SIRA, we have taken various follow-up actions to ensure continued insight into (emerging) risks and further strengthen our management of those risks.

Capella Solar, El Salvador
Largest energy storage installation in
Central America to date.



Condensed Consolidated Interim Financial Statements

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Condensed consolidated statement of financial position

Before profit appropriation	Notes	June 30, 2024	December 31, 2023
Assets			
Banks		59,118	49,273
Current accounts with State funds and other programs		7,861	488
Short-term deposits	(4.2)		
-of which: Amortized cost		1,409,144	1,220,359
-of which: Fair value through profit or loss		332,621	613,031
Other receivables		35,127	33,677
Interest-bearing securities			
-of which: Amortized cost		505,784	539,708
-of which: Fair value through profit or loss		104,065	-
Derivative financial instruments	(4.3)	168,381	197,150
Loans to the private sector			
-of which: Amortized cost		4,509,871	4,295,723
-of which: Fair value through profit or loss		603,276	587,940
Current tax receivables		27,493	29,634
Equity investments	(4.4)		
-of which: Fair value through OCI		181,143	167,074
-of which: Fair value through profit or loss		2,235,494	2,193,771
Investments in associates and joint ventures	(4.5)	323,781	308,179
Property, plant and equipment		18,176	19,859
Intangible assets		20,682	15,325
Deferred income tax assets		9,812	11,230
Total assets		10,551,829	10,282,421
Liabilities			
Short-term credits	(5)	67,750	97,114
Current accounts with State funds and other programs		2,775	43
Derivative financial instruments	(4.3)	462,886	418,839
Other financial liabilities	(4.6)		
-of which: fair value through profit or loss		83,144	74,003
Debentures and notes	(6)	6,147,914	6,060,683
Wage tax liabilities		829	771
Accrued liabilities		54,315	29,498
Other liabilities		21,254	35,821
Provisions		30,145	44,922
Deferred income tax liabilities		11,573	7,943
Total liabilities		6,882,585	6,769,637
Shareholders' equity			
Share capital		9,076	9,076
Share premium reserve		29,272	29,272
Contractual reserve		2,721,823	2,721,823
Development fund		657,981	657,981
Fair value reserve		75,647	65,208
Actuarial result pensions		-5,765	-9,670
Translation reserve		18,093	8,092
Other reserves		28,850	28,850
Undistributed result		134,267	2,152
Shareholders' equity (parent)		3,669,244	3,512,784
Non-controlling interests		-	-
Total shareholders' equity		3,669,244	3,512,784
Total liabilities and shareholders' equity		10,551,829	10,282,421

Condensed consolidated statement of profit and loss

	Notes	June 30, 2024	June 30, 2023
Income			
Interest income from financial instruments measured at AC	(8)	245,719	228,803
Interest income from financial instruments measured at FVPL	(8)	24,619	27,916
Interest expenses from financial instruments measured at AC	(9)	-110,195	-75,789
Interest expenses from financial instruments measured at FVPL	(9)	-50,757	-67,790
Interest expenses on leases	(9)	-50	-66
Net interest income		109,336	113,074
Dividend income	(10)	10,151	11,443
Results from equity investments	(11)	52,967	-13,943
Total results from equity investments		63,118	-2,500
Fee and commission income		2,521	3,381
Fee and commission expense		-6,865	-6,056
Net fee and commission income	(12)	-4,344	-2,675
Net results from financial transactions	(13)	6,737	2,880
Remuneration for services rendered	(14)	15,011	16,011
Gains and losses due to derecognition		986	1,504
Other operating income		1	-
Total other income		22,735	20,395
Total income		190,845	128,294
Operating expenses			
Staff costs		-67,460	-59,167
Administrative expenses		-12,346	-17,168
Depreciation and impairment of PP&E and intangible assets		-4,731	-4,855
Other operating expenses		-258	-202
Total operating expenses		-84,795	-81,392
Impairments on			
Interest-bearing securities		12	-4
Loans		14,155	-30,969
Loan commitments		-53	-5,295
Guarantees issued		10,299	2,176
Total impairments		24,413	-34,092
Results on associates/joint ventures			
Share in the result of associates/joint ventures		14,501	32,102
Profit/(loss) before taxation		144,964	44,912
Income tax	(15)	-10,697	-711
Net profit/(loss)		134,267	44,201
Net profit/(loss) attributable to			
Owners of the parent company		134,267	44,201
Non controlling interests		-	-
Net profit/(loss)		134,267	44,201

Condensed consolidated statement of comprehensive income

	Notes	June 30, 2024	June 30, 2023
Net profit/(loss)		134,267	44,201
Other comprehensive income			
Share of other comprehensive income of associates due to exchange differences		10,001	-5,741
Income tax effect		-	-
Items to be reclassified to profit and loss		10,001	-5,741
Fair value reserve of equity instruments at FVOCI		14,069	4,995
Actuarial gains/(losses) on defined benefit plans		5,263	-1,254
Income tax effect		-4,988	-966
Items not reclassified to profit and loss		14,344	2,775
Total other comprehensive income, net of tax		24,345	-2,966
Total comprehensive income		158,612	41,235
Total comprehensive income attributable to:			
Owners of the parent company		158,612	41,235
Non-controlling interests		-	-
Total comprehensive income		158,612	41,235

Condensed consolidated statement of changes in shareholders' equity

	Share capital	Share premium reserve	Contractual reserve	Development fund	Fair value reserve	Actuarial result pensions	Translation reserve	Other reserves	Undistributed result	Non-controlling interests	Total
Balance at December 31, 2022	9,076	29,272	2,659,053	657,981	38,559	-6,533	17,544	43,338	36	-	3,448,326
Exchange differences on associates	-	-	-	-	-	-	-5,741	-	-	-	-5,741
Fair value reserve of equity instruments at FVOCI	-	-	-	-	4,995	-	-	-	-	-	4,995
Actuarial gains/losses on defined benefit plans	-	-	-	-	-	-1,254	-	-	-	-	-1,254
Income tax effect other comprehensive income	-	-	-	-	-1,289	323	-	-	-	-	-966
Total other comprehensive income, net of tax	-	-	-	-	3,706	-931	-5,741	-	-	-	-2,966
Net profit / (loss) ¹	-	-	-	-	-	-	-	-	44,201	-	44,201
Dividend distributed	-	-	-	-	-	-	-	-	-	-	-
Balance at June 30, 2023	9,076	29,272	2,659,053	657,981	42,265	-7,464	11,803	43,338	44,237	-	3,489,561
Balance at December 31, 2023	9,076	29,272	2,721,823	657,981	65,208	-9,670	8,092	28,850	2,152	-	3,512,784
Exchange differences on associates	-	-	-	-	-	-	10,001	-	-	-	10,001
Fair value reserve of equity instruments at FVOCI	-	-	-	-	14,069	-	-	-	-	-	14,069
Actuarial gains/losses on defined benefit plans	-	-	-	-	-	5,263	-	-	-	-	5,263
Income tax effect other comprehensive income	-	-	-	-	-3,630	-1,358	-	-	-	-	-4,988
Total other comprehensive income, net of tax	-	-	-	-	10,439	3,905	10,001	-	-	-	24,345
Net profit / (loss) ¹	-	-	-	-	-	-	-	-	134,267	-	134,267
Dividend distributed	-	-	-	-	-	-	-	-	-2,152	-	-2,152
Balance at June 30, 2024	9,076	29,272	2,721,823	657,981	75,647	-5,765	18,093	28,850	134,267	-	3,669,244

¹ Under the Agreement State - FMO 2023, part of the net profit is added to the contractual reserve at each financial year-end. The part allocated to the contractual reserve is not distributable.

Condensed consolidated statement of cash flows

	Notes	June 30, 2024	June 30, 2023
Operational activities			
Net profit/(loss)		134,267	44,201
Adjustment for non-cash items:			
- Result of associates and joint ventures		-14,501	-32,102
- Unrealised (gains) losses arising from changes in fair value ¹		6,331	21,547
- Unrealised (gains) losses arising from changes in foreign exchange rates		-120,711	-4,257
- Unrealised (gains) losses arising from other changes ²		-715	-15,006
- Amortization of premiums/discounts debentures and notes		1,891	3,962
- Impairments		-24,414	34,092
- Depreciation and impairment of PP&E assets		4,731	4,855
- Income tax expense/(gain)		10,697	711
Changes in:			
- Income taxes payable / receivable		2,141	-11,064
- Loans		-77,748	-27,400
- Equity investments		17,105	-31,216
- Other assets and liabilities ³		-7,023	33,549
- Short-term deposits > 3 months ³		-91,520	-312,889
- Short-term credits ³		-28,759	14,940
Net cash flow from operational activities		-188,228	-276,077
Investment activities			
Purchase of interest-bearing securities		-61,128	-93,846
Redemption/sale of interest-bearing securities		23,474	74,624
Investments in PP&E and intangible fixed assets		-9,826	-5,102
Disinvestments in PP&E and intangible fixed assets		1,367	1,077
Investments in associates/joint ventures		-197	-2,058
Disinvestments in associates/joint ventures		-	6,657
Net cash flow from investment activities		-46,310	-18,648
Financing activities			
Proceeds from issuance of debt securities, debentures and notes	(6)	652,174	817,284
Redemption of debt securities, debentures and notes	(6)	-644,681	-648,631
Lease payments		-1,645	-1,704
Dividend paid		-2,152	-
Net cash flow from financing activities		3,696	166,949
Net cash flow		-230,842	-127,776
Cash and cash equivalents			
Banks and short term deposits at January 1		1,866,997	1,374,780
Net foreign exchange difference		57,543	-26,434
Total cash flow		-230,842	-127,776
Banks and short term deposits at June 30		1,693,698	1,220,570
Operational cash flows from interest and dividends			
Interest received		263,255	228,329
Interest paid		-160,953	-137,179
Dividend received		10,151	11,443
Interest paid for lease liabilities		-50	-66
Income tax received/(paid)		-	-

¹ Unrealized (gains) losses arising from changes in fair value related to fair value changes in loans to private sector, derivatives, equity investments, debentures and notes.

² Unrealized (gains) losses arising from other changes relate to changes in accrual and amortizable fees of financial assets and liabilities.

³ Movement is excluding foreign exchange results. Foreign exchange results are included in unrealized gains (losses) arising from foreign exchange rates.

Banks and short term deposits

The balance as mentioned in the cash flow statement corresponds with the following items in the consolidated balance sheet:

Cash position maturity bucket < 3 months	June 30, 2024	June 30, 2023
Banks	59,118	61,013
Short term deposits measured at AC	1,409,144	915,364
Short term deposits measured at FVPL	332,621	577,485
-of which > 3 months	-107,185	-333,292
Banks and short term deposits < 3 months	1,693,698	1,220,570

Notes to the condensed consolidated interim financial statements

1 Corporate information

FMO was incorporated in 1970 as a public limited company with 51% of shares held by the Dutch Government and 49% held by commercial banks, state unions and other members of the private sector. The company is located at Anna van Saksenlaan 71, The Hague, The Netherlands and is registered under ID 27078545 in the Chamber of Commerce. FMO finances activities in emerging markets and developing economies to stimulate private sector development. In addition, FMO provides services in relation to government and public funds and programs.

The 2024 condensed consolidated interim accounts of Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V. (hereafter referred to as 'FMO' or 'the company') were prepared by the members of the Management Board and signed by all members of the Management Board and the Supervisory Board on August 14, 2024.

Financing and investing activities

FMO is the Dutch entrepreneurial development bank. We support sustainable private sector growth in developing and emerging markets by investing in entrepreneurs. We specialize in sectors where our contribution can have the highest long-term impact: financial institutions, energy and agribusiness. FMO's main activity consists of providing loans, guarantees and equity capital to the private sector in the emerging markets and developing economies.

A minor part of the investment financing is guaranteed by the Dutch Government under the Faciliteit Opkomende Markten (FOM), in which FMO itself participates as a 5 percent to 20 percent risk partner. Any losses to be claimed under the guarantee are reported under 'Other receivables'.

We arrange syndicated loans to mobilize funds, by bringing together investors – commercial banks and other development finance institutions (DFIs) - with FMO for structuring these transactions. This enables us to provide our clients with increased access to finance and more diversified lending, while giving our financial partners efficient opportunities to enter new markets.

Commercial fund management

FMO's subsidiary, FMO Investment Management B.V. (FMO IM), provides investment advice for third party investment funds, which are invested in FMO's transactions in emerging and developing markets. Through these funds FMO IM offers investors access to our expertise in responsible emerging market investing.

Services in relation to government and public funding

Apart from financing activities from its own resources, FMO provides loans, guarantees and equity capital from government funding, within the conditions and objectives stipulated in the agreements. The Dutch Government funding consists of subsidies provided under the General Administrative Law Act regarding MASSIF, Access to Energy Fund (AEF), Building Prospects (BP) and Dutch Fund for Climate and Development (DFCD). In addition, funding is provided by the UK Government for Mobilizing Finance for Forests (MFF).

FMO incurs a risk in MASSIF as it has an equity share of 2.16% (2023: 2.16%). In addition, the subsidy agreements for certain public fund programs contain provisions for FMO to return at least 75 percent of the subsidy amounts on the end dates of the respective programs. With respect to the remaining interest in MASSIF, and the full risk in the other government programs, FMO has a contractual right and obligation to settle the results arising from the programs' activities with the Dutch Government. The economic risks related to these funds are predominantly taken by the Dutch Government, and FMO has limited control over policy issues regarding these funds. FMO receives a remuneration fee for managing these funds. Therefore, with the exception of FMO's equity share in MASSIF, the funds' assets, results and liabilities are not included in the annual accounts.

The European Development Financial Institutions Management Company (EDFI MC) (of which FMO is one of the shareholders together with the other EDFIs) was established in Brussels to manage European Commission (EC) funding for the Electri-FI global facility, the Agri-FI investment facility and the Electri-FI Country facility. FMO, as accredited entity for the EC, acts as delegatee (contractee) for the EC and has sub-delegated all operational activities related to these facilities to the EDFIMC. FMO receives a fee for facilitating these activities.

FMO was accredited by Green Climate Fund (GCF) and capitalizes on FMO's experience in mobilizing and enabling the private sector in developing countries towards low-emission and climate-resilient investments. In this context, FMO has received funds from the EU, USAID and the Dutch Government with the purpose to invest directly in Climate Investor One (CIO), a facility raised by FMO and managed by Climate Fund Managers (CFM). CIO and Climate Investor Two (CI2) are blended finance, capital-recycling facilities mandated with delivering renewable energy infrastructure projects in emerging markets that contribute to each phase of a project's lifecycle. FMO receives a fee for facilitating these activities.

The EC and FMO have an agreement for risk sharing facility NASIRA for an amount of €100 million. The facility uses guarantees to allow financial institutions to on-lend to underserved entrepreneurs within the European neighborhood and Sub-Saharan Africa. The guarantees are split into a loss-sharing hierarchy that is allocated between the issuing financial institution, the EC and FMO. The goal of these guarantees is to allow local financial institutions to provide loans to groups they perceive as too risky to finance without guarantees.

The EC has provided €40 million in guarantees to the FMO Ventures Program, which aims to invest €200 million in both fund and direct investments in Africa, the European Neighborhood and Asia (excluding China). In addition to equity investments, the program will also have a dedicated technical assistance program, for which the EC is providing €6.5 million, to support investees of FMO Ventures Program and promote the development of local venture capital ecosystems.

Mobilizing Finance for Forests (MFF) was established by the United Kingdom (UK) government as a blended finance investment program to combat deforestation and other environmentally unsustainable land use practices contributing to global climate change. FMO has been appointed by the UK government to be the delivery partner of MFF, a £152 million program that aims to invest in funds and companies that protect and restore forests in Africa, Asia and Latin America.

2 Basis of preparation and changes to accounting policies

2.1 Basis of preparation

These 2024 condensed consolidated interim accounts as at June 30, 2024 have been prepared in accordance with IAS 34 of the International Financial Reporting Standards (IFRS), as endorsed by the EU.

The accounting policies, presentation and methods of computation are consistent with those applied in the preparation of FMO's condensed consolidated interim financial statements for the year ended December 31, 2023, except for the new accounting policy described in 2.8. The consolidated interim accounts do not include all of the information required in a complete set of financial statements prepared in line with IFRS as endorsed by the EU. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in FMO's financial position and performance since the last annual financial statements. These consolidated interim accounts should be read in conjunction with FMO's consolidated annual accounts as at December 31, 2023.

2.2 Group accounting and consolidation

The company accounts of FMO and the company accounts of the subsidiaries Asia Participations B.V., FMO Investment Management B.V. and FMO Representative Office LAC Limitada are consolidated in these interim accounts. The consolidation of this entity does not have a material impact on FMO's balance sheet or FMO's current business activities.

Asia Participations B.V. and Equis DFI Feeder L.P. provide equity capital to companies in developing economies. FMO Investment Management B.V. carries out portfolio management activities for third party investment funds, which are invested in FMO's transactions in emerging markets and developing economies. FMO has a 63% equity stake in Equis DFI Feeder L.P.. All other subsidiaries, except FMO Ventures Program, are 100 percent owned by FMO.

The FMO Ventures Program is a program involving FMO, the Dutch State and European Commission that facilitates investments in young startups and scale ups. The FMO Ventures Program is a structured entity that has been designed so that voting or similar rights are not a dominant factor in deciding who controls the entity and relevant activities are directed by means of contractual arrangements. For the FMO Ventures Program, FMO has control over direct relevant investment decisions and returns. The State Funds' share of the program is not used by FMO to generate returns.

2.3 Foreign currency translation

The condensed interim accounts are stated in euros, which is the presentation and functional currency of FMO. All amounts are denominated in thousands of euros unless stated otherwise. In accordance with IAS 21, foreign currency transactions are translated to euro at the exchange rate prevailing on the date of the transaction. At the statement of financial position date, monetary assets and liabilities are reported using the closing exchange rate. Non-monetary assets that are not measured at cost denominated in foreign currencies are reported using the exchange rate that existed when fair values were determined.

2.4 Adoption of new standards, interpretations and amendments

There are no new standards, interpretations or amendments adopted by the EU that have an impact on FMO.

2.5 Standards issued but not yet effective

The International Accounting Standards Board issued the following new standards and amendments to existing standards. These standards and amendments are still in the process of being endorsed by the EU and FMO does not early adopt. The new standards and amendments are:

- IFRS 18 Presentation and Disclosure in Financial Statements (issued on 9 April 2024, effective from 1 January 2027)
- IFRS 19 Subsidiaries without Public Accountability: Disclosures (issued on 9 May 2024, effective from 1 January 2027)
- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) (issued on 30 May 2024, effective from 1 January 2026)
- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (issued on 15 August 2023, effective from 1 January 2025)

FMO will conduct and disclose an impact assessment as appropriate upon confirmation of EU's endorsement of these new standards and amendments.

2.6 Estimates and assumptions

In preparing the condensed consolidated interim accounts in conformity with IAS 34, management is required to make estimates and assumptions affected reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. The same methods for making estimates and assumptions have been followed in the condensed consolidated interim accounts as were applied in the preparation of FMO's consolidated annual accounts as at December 31, 2023.

2.7 Segment Reporting

The operating segments are reported in a manner consistent with internal reporting to FMO's chief operating decision maker. The chief operating decision maker who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Management Board. FMO presents its operating segments based on servicing unit. Reference is made to the Segment Information note for more details on operating segments.

2.8 Interest bearing securities

During the current period FMO acquired new interest bearing securities. Interest rate swaps are entered into to manage the risk associated with the securities and these swaps are measured at fair value through profit and loss. Therefore, to eliminate a possible accounting mismatch, the interest bearing securities are designated at fair value through profit and loss. The interest bearing securities are initially measured at fair value and subsequent changes in fair value are recognized immediately in profit and loss.

3 Segment information

The Management Board sets performance targets, approves and monitors the budgets prepared by operating segments. Operating segments are not identical to the strategic sectors.

FMO's strategic sectors represent the economic sectors in which FMO operates. The three strategic sectors are Agribusiness Food & Water, Financial Institutions and Energy, which also represent economic sectors. FMO's Management Board steers on the following five operating segments: Agribusiness, Food & Water, Financial Institutions, Energy, Private Equity and Other.

FMO presents the results of the operating segments using a financial performance measure called underlying profit. Underlying profit excludes the EUR/USD currency effects related to the results from equity investments. All fair value changes including currency effects are recorded in the profit and loss account.

Underlying profit as presented below is an alternative performance measure. The table below shows a reconciliation of the underlying net profit to the net profit.

At June 30, 2024	Financial Institutions	Energy	Agribusiness, Food & Water	Private Equity	Other	Total
Interest income	118,663	74,736	36,608	1,982	38,349	270,338
Interest expenses	-43,627	-26,003	-13,063	-43,342	-34,967	-161,002
Net fee and commission income	-1,247	-255	-2,393	218	-667	-4,344
Dividend income	-	-	-	10,151	-	10,151
Results from equity investments	-	-	-	-1,283	-	-1,283
Results from financial transactions	4,751	1,128	1,133	-2,066	1,791	6,737
Remuneration for services rendered	2,128	2,703	1,883	6,624	1,673	15,011
Gains and losses due to recognition	-	764	222	-	-	986
Other operating income	-	-	-	-	1	1
Allocated income	1,631	972	489	1,621	-4,713	-
Total underlying income	82,299	54,045	24,879	-26,095	1,467	136,595
Operating expenses	-22,740	-19,434	-14,773	-26,499	-1,349	-84,795
Total operating expenses	-22,740	-19,434	-14,773	-26,499	-1,349	-84,795
Impairments on loans and guarantees	-1,813	13,946	12,248	-46	78	24,413
Total impairments	-1,813	13,946	12,248	-46	78	24,413
Profit/(loss) before taxation	57,746	48,557	22,354	-52,640	196	76,213
Share in results from associates	-	-	-	14,450	51	14,501
Taxation	-12,239	-10,291	-4,738	18,023	-52	-9,297
Underlying net profit/(loss)	45,507	38,266	17,616	-20,167	195	81,417
Currency effect equity investments	-	-	-	52,850	-	52,850
Net profit/(loss)	45,507	38,266	17,616	32,683	195	134,267

At June 30, 2023	Agribusiness,					Total
	Financial Institutions	Energy	Food & Water	Private Equity	Other	
Interest income	115,115	69,997	40,953	1,305	29,349	256,719
Interest expenses	-38,975	-23,170	-13,762	-37,120	-30,618	-143,645
Net fee and commission income	-1,991	808	-1,340	156	-308	-2,675
Dividend income	-	-	-	11,443	-	11,443
Results from equity investments	-	-	-	22,144	-	22,144
Results from financial transactions	1,167	-3,874	1,336	3,603	648	2,880
Remuneration for services rendered	2,069	3,318	2,703	6,162	1,759	16,011
Gains and losses due to recognition	-	1,226	10	268	-	1,504
Other operating income	-	-	-	-	-	-
Allocated income	-208	-124	-73	-198	603	-
Total underlying income	77,177	48,181	29,827	7,763	1,433	164,381
Operating expenses	-22,216	-18,049	-13,808	-25,907	-1,412	-81,392
Total operating expenses	-22,216	-18,049	-13,808	-25,907	-1,412	-81,392
Impairments on loans and guarantees	-3,335	-23,330	-7,521	-118	212	-34,092
Total impairments	-3,335	-23,330	-7,521	-118	212	-34,092
Profit/(loss) before taxation	51,626	6,802	8,498	-18,262	233	48,897
Share in results from associates	-	-	-	32,102	-	32,102
Taxation	-13,320	-1,755	-2,192	15,714	-60	-1,613
Underlying net profit/(loss)	38,306	5,047	6,306	29,554	173	79,386
Currency effect equity investments	-	-	-	-35,185	-	-35,185
Net profit/(loss)	38,306	5,047	6,306	-5,631	173	44,201

Segment assets at June 30, 2024	Agribusiness,					Total
	Financial Institutions	Energy	Food & Water	Private Equity	Other	
Loans to the private sector	2,746,836	1,537,760	788,192	36,566	3,793	5,113,147
Equity investments and investments in associates	-	-	-	2,740,418	-	2,740,418
Other assets	943,736	528,330	270,801	954,094	1,303	2,698,264
Total assets	3,690,572	2,066,090	1,058,993	3,731,078	5,096	10,551,829
Contingent liabilities – Effective guarantees issued	140,254	18,004	17,032	549	-	175,839
Assets under management (loans and equity investments) managed for the risk of the state	125,935	156,394	159,020	566,542	-	1,007,891

Segment assets at June 30, 2023	Agribusiness,					Total
	Financial Institutions	Energy	Food & Water	Private Equity	Other	
Loans to the private sector	2,681,379	1,467,544	829,495	29,211	8,307	5,015,936
Equity investments and investments in associates	-	-	-	2,610,714	-	2,610,714
Other assets	840,184	459,840	259,914	827,194	2,603	2,389,735
Total assets	3,521,563	1,927,384	1,089,409	3,467,119	10,910	10,016,385
Contingent liabilities – Effective guarantees issued	94,563	18,538	24,494	539	-	138,134
Assets under management (loans and equity investments) managed for the risk of the state	96,443	176,522	142,598	560,560	-	976,123

4 Financial Instruments

4.1 Accounting classification

The following table shows the carrying amounts of financial assets and financial liabilities.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which FMO has access at that date.

June 30, 2024						
	Fair value hedging instruments	FVOCI- equity instruments	Amortized cost	Financial liabilities used as hedged items	Total	
Financial assets	FVPL					
Banks	-	-	-	59,118	-	59,118
Current accounts with state funds and other programs	-	-	-	7,861	-	7,861
Short-term deposits	332,621	-	-	1,409,144	-	1,741,765
Other receivables	-	-	-	35,127	-	35,127
Interest-bearing securities	104,065	-	-	505,784	-	609,849
Derivative financial instruments	158,813	9,568	-	-	-	168,381
Loans to the private sector	603,276	-	-	4,509,871	-	5,113,147
Equity investments	2,235,494	-	181,143	-	-	2,416,637
Total Financial assets	3,434,269	9,568	181,143	6,526,905	-	10,151,885
Financial liabilities						
Short-term credits	-	-	-	67,750	-	67,750
Current accounts with state funds and other programs	-	-	-	2,775	-	2,775
Derivative financial instruments	282,334	180,552	-	-	-	462,886
Other financial liabilities	83,144	-	-	-	-	83,144
Debentures and notes	-	-	-	825,805	5,322,109	6,147,914
Accrued liabilities	-	-	-	54,315	-	54,315
Other liabilities	-	-	-	21,254	-	21,254
Total Financial liabilities	365,478	180,552	-	971,899	5,322,109	6,840,038

During the current period FMO acquired new interest bearing securities. Interest rate swaps are entered into to manage the risk associated with the securities and these swaps are measured at fair value through profit and loss. Therefore, to eliminate a possible accounting mismatch, the interest bearing securities are designated at fair value through profit and loss. The maximum credit exposure of the securities is €106 million and the cumulative change in fair value for the period is a loss of €2 million. The notional value of the swaps is €105 million, and the cumulative change in fair value for the period is a gain of €1 million. The movements in fair value are attributable to market risk.

December 31, 2023

	FVPL	Fair value hedging instruments	FVOCI- equity instruments	Amortized cost	Financial liabilities used as hedged items	Total
Financial assets						
Banks		-	-	49,273	-	49,273
Current accounts with state funds and other programs	-	-	-	488	-	488
Short-term deposits	613,031	-	-	1,220,359	-	1,833,390
Other receivables	-	-	-	33,677	-	33,677
Interest-bearing securities	-	-	-	539,708	-	539,708
Derivative financial instruments	160,512	36,638	-	-	-	197,150
Loans to the private sector	587,940	-	-	4,295,723	-	4,883,663
Equity investments	2,193,771	-	167,074	-	-	2,360,845
Total Financial assets	3,555,254	36,638	167,074	6,139,228	-	9,898,194
Financial liabilities						
Short-term credits	-	-	-	97,114	-	97,114
Current accounts with state funds and other programs	-	-	-	43	-	43
Derivative financial instruments	231,910	186,929	-	-	-	418,839
Other financial liabilities	74,003	-	-	-	-	74,003
Debentures and notes	-	-	-	758,768	5,301,915	6,060,683
Accrued liabilities	-	-	-	29,498	-	29,498
Other liabilities	-	-	-	35,821	-	35,821
Total Financial liabilities	305,913	186,929	-	921,244	5,301,915	6,716,001

4.2 Short-term deposits

	June 30, 2024	December 31, 2023
Collateral delivered (related to derivative financial instruments)	392,025	331,546
Dutch central bank	990,809	863,825
Mandatory reserve deposit with Dutch central bank	6,799	6,352
Collateral delivered to European Central Bank	2,946	2,946
Other short-term deposits	16,565	15,690
Short term deposits measured at AC	1,409,144	1,220,359
Commercial paper	229,850	457,794
Money market funds	102,771	155,237
Short term deposits measured at FVPL	332,621	613,031
Balance at December 31	1,741,765	1,833,390

Mandatory reserve represents the average daily target set by regulator and is not available for user in FMO's day-to-day operations.

4.3 Derivatives

FMO uses various derivatives to hedge its assets and liabilities against interest rate risk and market risk. During the first half of 2024, the derivatives position has increased related to additions of interest rate swaps and cross - currency interest swaps (see tables below).

The following table summarizes the notional amounts and the fair values of the derivatives. These derivatives are held to reduce interest rate risks and currency risks but do not meet the specified criteria to apply hedge accounting at reporting period. The following table also includes derivatives related to the asset portfolio.

2024						
Carrying amount						
	Notional amount	Assets	Liabilities	Change in fair value used for calculating hedge ineffectiveness	Ineffectiveness recorded in profit or loss	Line item in P&L that includes hedge ineffectiveness
Derivatives hedge accounting instruments:						
Interest rate swaps	5,463,385	9,568	180,552	-17,309	795	Results from financial transactions
Derivatives other than hedge accounting instruments:						
Currency swaps	826,909	9,377	503			
Interest rate swaps	2,479,819	57,916	2,874			
Cross-currency interest rate swaps	3,301,641	91,520	267,281			
Subtotal	6,608,369	158,813	270,658			
Embedded derivatives related to asset portfolio		-	11,676			
Total derivative assets /(liabilities) other than hedge accounting instruments	6,608,369	158,813	282,334			
Balance at June 30	12,071,754	168,381	462,886			
2023						
Carrying amount						
	Notional amount	Assets	Liabilities	Change in fair value used for calculating hedge ineffectiveness	Ineffectiveness recorded in profit or loss	Line item in P&L that includes hedge ineffectiveness
Derivatives hedge accounting instruments:						
Interest rate swaps	5,438,525	36,638	186,929	134,237	-4,462	Results from financial transactions
Derivatives other than hedge accounting instruments:						
Currency swaps	609,876	355	10,498			
Interest rate swaps	1,810,968	48,057	6,610			
Cross-currency interest rate swaps	3,030,180	112,100	203,931			
Subtotal	5,451,024	160,512	221,039			
Embedded derivatives related to asset portfolio		-	10,871			
Total derivative assets /(liabilities) other than hedge accounting instruments	5,451,024	160,512	231,910			
Balance at December 31	10,889,549	197,150	418,839			

The amounts relating to items designated as hedged items were as follows:

2024						
Balance sheet line item	Accumulated amount of fair value hedge adjustments on the hedged item included in the carrying amount of the hedged item					Accumulated amount remaining in the balance sheet for any hedged items that have ceased to be adjusted for hedging gains and losses
	Liabilities	Assets	Liabilities	Change in fair value used for calculating hedge ineffectiveness	Liabilities	
Debentures and notes	5,322,109	-	-	18,104	-	-
Balance at June 30	5,322,109	-	-	18,104	-	-
2023						
Balance sheet line item	Accumulated amount of fair value hedge adjustments on the hedged item included in the carrying amount of the hedged item					Accumulated amount remaining in the balance sheet for any hedged items that have ceased to be adjusted for hedging gains and losses
	Liabilities	Assets	Liabilities	Change in fair value used for calculating hedge ineffectiveness	Liabilities	
Debentures and notes	5,301,915	-	-	-138,699	-	-
Balance at December 31	5,301,915	-	-	-138,699	-	-

4.4 Equity Investments

The positive change in fair value as per June 2024 is mainly driven by FX exchange results. Unrealized results from capital movement for FVPL positions is 5 million, please also refer to note 11.

	Equity measured at FVOCI	Equity measured at FVPL	Total
	Net balance at January 1, 2024	167,074	
Purchases and contributions	-	104,563	104,563
Return of Capital (including sales)	-	-121,668	-121,668
Changes in fair value	14,069	58,828	72,897
Total balance at June 30, 2024	181,143	2,235,494	2,416,637

	Equity measured at FVOCI	Equity measured at FVPL	Total
Balance at January 1, 2023	150,733	2,130,903	2,281,636
Purchases and contributions	-	333,825	333,825
Conversion of loans to equity	-	1,879	1,879
Return of capital (including sales)	-	-224,513	-224,513
Changes in fair value	16,341	-48,323	-31,982
Total balance at December 31, 2023	167,074	2,193,771	2,360,845

4.5 Associates and Joint Ventures

	June 30, 2024	December 31, 2023
Net balance	308,179	297,960
Purchases and contributions	197	14,260
Return of capital (including sales)	-	-6,657
Share in net results	14,501	26,065
Exchange rate differences	904	-23,449
Total	323,781	308,179

4.6 Other Financial Liabilities

	June 30, 2024	December 31, 2023
Net Balance	74,003	82,328
Purchases and contributions	3,293	2,916
Return of Capital (including sales)	-	-
Changes in fair value through profit & loss	1,348	-23,741
Other changes	4,500	12,500
Total	83,144	74,003

The other financial liabilities relate to the FMO Ventures Program. FMO applies the net asset value valuation technique. The valuation is based on the overall program value which is a level 3 input. Other changes in 2024 relate to the recognition of liabilities for FMO's obligations to the public fund programs managed on behalf of the Dutch State.

4.7 Fair values

Fair value hierarchy

All financial instruments for which fair value is recognized or disclosed are categorized within the fair value hierarchy, based on lowest level input that is significant to the fair value measurement as a whole, as follows:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 – Valuation technique for which the lowest level input that is significant to the fair value measurement is unobservable.

Valuation processes

For recurring and non-recurring fair value measurements categorized within Level 3 of the fair value hierarchy, FMO uses the valuation processes to decide its valuation policies and procedures and analyze changes in fair value measurement from period to period.

FMO's fair value methodology and governance over applied methods includes a number of controls and other procedures to ensure appropriate safeguards are in place to ensure quality and adequacy. The responsibility of ongoing measurement resides with the relevant departments. Once submitted, fair value estimates are also reviewed and challenged by the Investment Risk Committee (IRC). The IRC approves the fair values measured including the valuation techniques and other significant input parameters used. The appropriateness of the valuation techniques applicable to the underlying instruments is assessed as part of the valuation process and any potential changes between levels in the fair value hierarchy are considered.

Valuation techniques

When available, the fair value of an instrument is measured by using the quoted price in an active market for that instrument (level 1). A market is regarded as active if transactions of the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, valuation techniques are used that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. Valuation techniques include:

1. Recent broker/ price quotations
2. Discounted cash flow models
3. Option-pricing models

The techniques incorporate current market and contractual prices, time to expiry, yield curves and volatility of the underlying instrument. Inputs used in pricing models are market observable (level 2) or are not market observable (level 3). A substantial part of fair value (level 3) is based on net asset values.

Investments are measured at fair value when a quoted market price in an active market is available or when fair value can be estimated reliably by using a valuation technique. The main part of the fair value measurement related to investments (level 3) is based on net asset values of investment funds as reported by the fund manager and are based on advanced valuation methods and practices. When available, these fund managers value the underlying investments based on quoted prices, if not available multiples are applied as input for the valuation.

The table below presents the carrying value and estimated fair value of FMO's non fair value financial assets and liabilities.

The carrying values in the financial asset and liability categories are valued at amortized cost except for the funding in connection with hedge accounting.

Financial assets-liabilities not measured at fair value

	June 30, 2024		December 31, 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets not measured at fair value				
Short term deposits at AC	1,409,110	1,409,110	1,220,359	1,220,359
Banks	59,118	59,118	49,273	49,273
Interest-bearing securities	505,784	486,531	539,708	522,820
Loans to the private sector at AC	4,509,871	4,352,108	4,295,723	3,790,288
Current accounts with state funds and other programs	7,861	7,861	488	488
Other receivables	35,127	35,127	33,677	33,677
Total financial assets not measured at fair value	6,526,871	6,349,855	6,139,228	5,616,905
Financial liabilities not measured at fair value				
Short-term credits	67,750	67,750	97,114	97,114
Debentures and notes	6,147,914	6,063,310	6,060,683	5,986,337
Current accounts with state funds and other programs	2,775	2,775	43	43
Accrued liabilities	54,315	54,315	29,498	29,498
Other liabilities	21,254	21,254	35,821	35,821
Total financial liabilities not measured at fair value	6,294,008	6,209,404	6,223,159	6,148,813

The valuation technique we use for the fair value determination of loans to the private sector and non-hedged funding is based on the discounted cash-flow method. The discount rate we apply is a spread curve based on the average spread of the portfolio.

The following table gives an overview of the financial instruments valued at fair value using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

June 30, 2024	Level 1	Level 2	Level 3	Total
Financial assets mandatorily at FVPL				
Short-term deposits	102,771	229,850	-	332,621
Derivative financial instruments	-	168,381	-	168,381
Loans to the private sector	94,044	-	509,232	603,276
Equity investments	24,874	-	2,210,620	2,235,494
Financial assets designated at FVPL				
Interest bearing securities	104,065	-	-	104,065
Financial assets at FVOCI				
Equity investments	-	-	181,143	181,143
Total financial assets at fair value	325,754	398,231	2,900,995	3,624,980
Financial liabilities mandatorily at FVPL				
Derivative financial instruments	-	451,210	11,676	462,886
Financial liabilities designated at FVPL				
Other financial liabilities	-	-	83,144	83,144
Total financial liabilities at fair value	-	451,210	94,820	546,030
December 31, 2023				
Financial assets mandatorily at FVPL				
Short-term deposits	170,901	442,130	-	613,031
Derivative financial instruments	-	197,150	-	197,150
Loans to the private sector	87,482	-	500,458	587,940
Equity investments	32,965	-	2,160,806	2,193,771
Financial assets at FVOCI				
Equity investments	-	-	167,074	167,074
Total financial assets at fair value	291,348	639,280	2,828,338	3,758,966
Financial liabilities mandatorily at FVPL				
Derivative financial instruments	-	407,968	10,871	418,839
Financial liabilities designated at FVPL				
Other financial liabilities	-	-	74,003	74,003
Total financial liabilities at fair value	-	407,968	84,874	492,842

Movements in financial instruments measured at fair value based on level 3	Derivative financial instruments	Loans to the private sector	Equity investments	Total financial assets
Balance at January 1, 2023	-	432,150	2,247,785	2,679,935
Total gains or losses				
-In profit and loss (changes in fair value)	-	48,772	13,533	62,305
-In other comprehensive income (changes in fair value)	-	-	16,341	16,341
Purchases /disbursements	-	117,126	333,825	450,951
Sales/repayments	-	-50,729	-224,513	-275,242
Interest capitalization	-	4,964	-	4,964
Write-offs	-	-42,200	-	-42,200
Accrued income	-	6,010	-	6,010
Exchange rate differences	-	-13,058	-60,970	-74,028
Derecognition and/or restructuring FVPL versus AC	-	-698	-	-698
Conversion from loans to equity	-	-1,879	1,879	-
Conversion associate/FVPL	-	-	-	-
Other changes ¹	-	-	-	-
Balance at December 31, 2023	-	500,458	2,327,880	2,828,338
Total gains or losses	-	-	-	-
-In profit and loss (changes in fair value)	-	4,093	9,600	13,693
-In other comprehensive income (changes in fair value)	-	-	14,070	14,070
Purchases /disbursements	-	16,945	104,563	121,508
Sales/repayments	-	-22,629	-117,832	-140,461
Interest Capitalization	-	622	-	622
Write-offs	-	-804	-	-804
Accrued income	-	-2,085	-	-2,085
Exchange rate differences	-	12,632	53,482	66,114
Balance at June 30, 2024	-	509,232	2,391,763	2,900,995

Valuation techniques and unobservable inputs used measuring fair value of loans to the private sector

Type of debt investment	Fair value at June 30, 2024	Valuation technique	Range (weighted average) of significant unobservable inputs	Fair value measurement sensitivity to unobservable inputs
Loans	73,847	Discounted cash flow model	Based on client spread	A decrease/increase of the used spreads with 1% will result is a higher/lower fair value of approx €2.4 million
	118,175	Discounted cash flow model	Based on client rating	An improvement / deterioration of the Client Rating with 1 notch wil result 0.4% increase/decrease
	37,764	Discounted cash flow model	n/a	n/a
Debt Funds	279,446	Net Asset Value	n/a	n/a
Total	509,232			

Valuation techniques and unobservable inputs used measuring fair value of equity investments

Type of equity investment	Fair value at June 30, 2024	Valuation technique	Range (weighted average) of significant unobservable inputs	Fair value measurement sensitivity to unobservable inputs
Private equity fund investments	1,318,541	Net Asset Value	n/a	n/a
Private equity direct investments	45,365	Recent transactions	Derived from arm's length recent transactions	n/a
	545,512	Book multiples	1.0 – 1.12	A decrease/increase of the book multiple with 10% will result in a lower/higher fair value of €55 million.
	216,636	Earning Multiples	Depends on several unobservable data such as EBITDA multiples (range 1.0 - 10.0)	A decrease/increase of the used unobservable data with 10% will result in a lower/higher fair value of €22million.
	63,006	Discounted Cash Flow (DCF)	Based on discounted cash flows	A decrease/increase of the used unobservable data with 10% will result in a lower/higher fair value of €6 million.
	33,921	Put option	The guaranteed floor depends on several unobservable data such as IRR, EBITDA multiples, book multiples and Libor rates	A decrease/increase of the used unobservable data with 10% will result in a lower/higher fair value of €3 million.
	168,782	Firm offers	Based on offers received from external parties	n/a
Total	2,391,763			

5 Short term credits

	June 30, 2024	December 31, 2023
Collateral received (related to derivative financial instruments)	67,750	97,114
Balance	67,750	97,114

6 Debentures and notes

Debentures and notes includes issued debt instruments in various currencies under FMO's Debt Issuance Programs. In addition, a subordinated note of €250 million is also included in the Debenture and Notes. Under IFRS this note is classified as financial liability, but for regulatory purposes it is considered as Tier 2 capital. This note was issued on July 15, 2020 with a maturity date of January 15, 2031. The note is issued at 99.764% of the aggregated nominal amount at a fixed coupon rate of 0.625%. The note is non-convertible and can be called on first call date after five years till July 15, 2026.

The following table summarizes the carrying value of the debentures and notes.

	June 30, 2024	December 31, 2023
Debentures and notes under hedge accounting	5,322,109	5,301,915
Debentures and notes valued at AC	825,805	758,768
Total debentures and notes	6,147,914	6,060,683

The nominal amounts of the debentures and notes are as follows:

	June 30, 2024	December 31, 2023
Debentures and notes under hedge accounting	5,438,875	5,384,764
Debentures and notes valued at AC	796,958	745,281
Total debentures and notes	6,235,833	6,130,045

The movements can be summarized as follows:

	2024
Balance at January 1	6,060,683
Amortization of premiums/discounts	1,891
Proceeds from issuance	652,174
Redemptions	-644,681
Changes in fair value	-18,104
Changes in accrued expense	1,120
Exchange rate differences	94,831
Balance at June 30	6,147,914

Line item 'changes in fair value' represents the fair value changes attributable to the hedge risk in connection with the debentures and notes used for hedge accounting purposes.

7 Commitments and contingent liabilities

To meet the financial needs of borrowers, FMO enters into various irrevocable commitments (loan commitments, equity commitments and guarantee commitments) and contingent liabilities. These contingent liabilities consist among others of financial guarantees, which commit FMO to make payments on behalf of the borrowers in case the borrower fails to fulfill payment obligations. Though these obligations are not recognized on the balance sheet, they do obtain Credit Risk similar to loans to the private sector. Therefore, provisions are calculated for financial guarantees and loan commitments according to the ECL measurement methodology.

Furthermore, the contingencies include an irrevocable payment commitment (IPC) to the Single Resolution Board (SRB) in Brussels. In April 2016, the SRB provided credit institutions with the option to fulfil part of their obligation to pay the annual ex - ante contributions to the Single Resolution Fund (SRF) through IPCs.

	June 30, 2024	December 31, 2023
Contingent liabilities		
Encumbered funds (Single Resolution Fund)	2,946	2,946
Effective guarantees issued	175,840	154,675
Total contingent liabilities	178,786	157,621
Effective guarantees received	450,807	403,008
Total guarantees received	450,807	403,008

Nominal amounts for irrevocable facilities is as follows:

	June 30, 2024	December 31, 2023
Irrevocable facilities		
Contractual commitments for disbursements of:		
- Development contributions	228	-
- Loans	731,420	751,393
- Equity investments and associates	887,026	875,906
- Contractual commitments for financial guarantees given	184,855	195,733
Total irrevocable facilities	1,803,529	1,823,032

8 Interest Income

	June 30, 2024	June 30, 2023
Interest on loans measured at AC	218,996	212,313
Interest on collateral delivered	6,633	5,937
Interest income related to banks	15,322	7,394
Interest on interest-bearing securities	4,768	3,159
Total interest income from financial instruments measured at AC	245,719	228,803
Interest on loans measured at FVPL	26,239	22,465
Interest on short-term deposits	10,665	12,758
Interest on interest bearing securities at FVPL	990	-
Interest on derivatives related to asset portfolio	-13,275	-7,307
Total interest income from financial instruments measured at FVPL	24,619	27,916
Total interest income	270,338	256,719

Interest income increased during the current financial period due to increases in interest rates on FMO's variable rate loan portfolio. This is driven by increases in the reference rates observed in the market.

9 Interest Expense

	June 30, 2024	June 30, 2023
Interest on debentures and notes in hedge accounting	-66,523	-46,978
Interest on debentures and notes not in hedge accounting	-43,672	-28,811
Total interest expense from financial instruments measured at AC	-110,195	-75,789
Interest on derivatives related to funding portfolio	-50,757	-67,790
Total interest expense from financial instruments measured at FVPL	-50,757	-67,790
Interest on leases	-50	-66
Other interest expenses	-50	-66
Total interest expense	-161,002	-143,645

Interest expense increased due to increases in the reference rates on FMO's variable rate funding portfolio.

10 Dividend income

	June 30, 2024	June 30, 2023
Dividend income direct investments	5,873	6,447
Dividend income fund investments	4,278	4,996
Total dividend income	10,151	11,443

11 Results from equity investments

	June 30, 2024	June 30, 2023
Results from equity investments		
Unrealized results from capital results	4,578	20,748
Unrealized results from FX conversions - capital results	847	-1,588
Unrealized results from FX conversions - cost price	53,403	-34,500
Results from Fair value re-measurements	58,828	-15,340
Results from sales		
Realized results	20,441	36,763
Release unrealized results	-26,302	-35,366
Net results from sales	-5,861	1,397
Total results from equity investments	52,967	-13,943

Refer to Note 4.4 for details of the movements in results from equity investments.

12 Net fee and commission income

	June 30, 2024	June 30, 2023
Prepayment fees	155	-
Fees for FVPL loans	121	439
Administration fees	1,054	946
Other fees (for example arrangement, cancellation and waiver fees)	1,191	1,996
Total fee and commission income	2,521	3,381
Custodian fees and charges for the early repayment of debt securities	-674	-697
Guarantee fees related to unfunded risk participants	-6,191	-5,359
Total fee and commission expense	-6,865	-6,056
Net fee and commission income / (expense)	-4,344	-2,675

13 Results from financial transactions

The movement for results from financial transactions can be mainly explained by changes in valuations for derivatives and FX results. This movement is primarily driven by changes in cross currency basis spreads and yield curves of various underlying currencies (e.g. USD, EUR, AUD).

	June 30, 2024	June 30, 2023
Gains/(losses) on remeasurement on valuation of hedged items	18,104	-1,565
Gains/(losses) on remeasurement of hedging instruments	-17,309	-1,741
Net result on hedge accounting	795	-3,306
Result on sale and valuation of treasury derivatives not under hedge accounting	5,066	2,194
Result on sale and valuation of derivatives related to asset portfolio	-719	1,327
Result on sale and valuation of interest bearing securities at FVPL	-1,673	-
Result on sale and valuation of loans at FVPL	7,012	-1,591
Net result on financial instruments mandatory at FVPL	9,686	1,930
Foreign exchange results loans at FVPL	15,496	-8,896
Foreign exchange results derivatives	-56,594	21,559
Foreign exchange results on other financial assets/liabilities	43,336	-10,701
Net foreign exchange results	2,238	1,962
Other financial results	-135	-202
Other changes	-5,847	2,496
Other results from financial transactions	-5,982	2,294
Net result from financial transactions	6,737	2,880

14 Remuneration for services rendered

	June 30, 2024	June 30, 2023
Funds and programs managed on behalf of the State:		
- MASSIF	5,201	5,161
- Building Prospects	4,735	4,653
- Access to Energy Fund	1,861	1,747
Syndication fees, remuneration from directorships and others	3,214	4,450
Total remuneration for services rendered	15,011	16,011

Remuneration for managing funds and programs is assessed for market conformity. Related management expenses are included in operating expenses.

15 Tax

Current income tax receivables amount to €27.5 million (December 31, 2023: €29.6 million).

The domestic corporate income tax rate for 2024 is 25,8% (2023: 25.8%). The effective rate based on the 2024 budget is calculated at 6.7% - mainly due to the participation exemption of equity results. For June 30, 2024 result this results in a corporate income tax of € 10.7 million (June 30, 2023: €0.7 million). Per June 30, 2024 there were no unused tax losses (December 31, 2023: €0 million) and the unused tax credits amounted to €0 (December 31, 2023: €0).

	June 30, 2024	December 31, 2023
Deferred tax assets		
Pension provision	2,094	2,154
Actuarial gains and losses on defined benefit plans	2,005	3,363
Unused tax credits	5,655	5,655
Leases	58	58
Total deferred tax assets	9,812	11,230
Deferred tax liabilities		
Fair value movements equity investments	-11,573	-7,943
Total deferred tax liabilities	-11,573	-7,943
Net balance	-1,761	3,287

16 Related parties

FMO considers the Dutch Government, subsidiaries, associated companies, the Management Board and the Supervisory Board as related parties.

In the first half of 2024 no changes in the composition of the Management Board of FMO have occurred.

We are pleased that the Supervisory Board is once again complete. On April 24, 2024, Eme Essien Lore was officially appointed as the sixth member of the Supervisory Board, having already attended several meetings as an observer since December 2023. Eme serves on the Audit & Risk Committee and the Impact Committee. The appointment took place during the 54th Annual General Meeting of shareholders. At the same meeting, Dugald Agble, Marjolein Demmers and Reintje van Haeringen, all current members of the Supervisory Board, were reappointed for a second term of four years.

In the first half of 2024 there were no transfers from State Funds to FMO.

During the 2024 financial year, FMO took part in the incorporation of a jointly controlled entity (AccessEdu). The objective of the entity is to facilitate the execution of the sale of an equity investment held by FMO expected in the second half of 2024.

17 Dividends

At December 2023, the Management Board and the Supervisory Board proposed distributing a sum of €2.1 million (2022: €0) as cash dividend to shareholders. The proposal was approved during the General Meeting of Shareholders of April 24, 2024 and the cash dividend was paid out.

18 Events after the end of the reporting period

There have been no significant subsequent events between the balance sheet date and the date of approval of these accounts which would impact the interim accounts as per June 30, 2024.

19 Capital adequacy

FMO's Total Capital Ratio decreased from 22.97% percent at 31 December 2023 to 22.71% at 30 June 2024, well above the Supervisory Review and Evaluation Process (SREP) minimum and other regulatory requirements.

Independent auditor's review report

Independent auditor's review report

To: the shareholders and supervisory board of Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V.

Our conclusion

We have reviewed the condensed consolidated interim financial statements 2024 included in the interim report of Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V. (FMO) based in The Hague for the period from 1 January 2024 to 30 June 2024.

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated interim financial statements of FMO for the period from 1 January 2024 to 30 June 2024, are not prepared, in all material respects, in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union.

The condensed consolidated interim financial statements comprise:

- ▶ The condensed consolidated statement of financial position as at 30 June 2024
- ▶ The following condensed consolidated statements for the period from 1 January 2024 to 30 June 2024: the statement of profit and loss, the statement of comprehensive income, the statement of changes in shareholders' equity and the statement of cash flows
- ▶ The notes to the condensed consolidated interim financial statements, comprising a summary of the significant accounting policies and other explanatory information

Basis for our conclusion

We conducted our review in accordance with Dutch law, including the Dutch Standard 2410, "Het beoordelen van tussentijdse financiële informatie door de accountant van de entiteit" (Review of interim financial information performed by the independent auditor of the entity).

A review of interim financial information in accordance with the Dutch Standard 2410 is a limited assurance engagement. Our responsibilities under this standard are further described in the Our responsibilities for the review of the condensed interim financial information section of our report.

We are independent of FMO in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Responsibilities of management and the supervisory board for the condensed consolidated interim financial statements

Management is responsible for the preparation and presentation of the condensed consolidated interim financial statements in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union. Furthermore, management is responsible for such internal control as it determines is necessary to enable the preparation of the condensed interim financial information that is free from material misstatement, whether due to fraud or error.

The supervisory board is responsible for overseeing FMO's financial reporting process.

Our responsibilities for the review of the condensed consolidated interim financial statements

Our responsibility is to plan and perform the review in a manner that allows us to obtain sufficient and appropriate assurance evidence for our conclusion.

The level of assurance obtained in a review engagement is substantially less than the level of assurance obtained in an audit conducted in accordance with the Dutch Standards on Auditing. Accordingly, we do not express an audit opinion.

We have exercised professional judgement and have maintained professional skepticism throughout the review, in accordance with Dutch Standard 2410.

Our review included among others:

- ▶ Updating our understanding of FMO and its environment, including its internal control, and the applicable financial reporting framework, in order to identify areas in the condensed interim financial information where material misstatements are likely to arise due to fraud or error, designing and performing analytical and other review procedures to address those areas, and obtaining assurance evidence that is sufficient and appropriate to provide a basis for our conclusion
- ▶ Obtaining an understanding of internal control as it relates to the preparation of interim financial information
- ▶ Making inquiries of management and others within FMO
- ▶ Applying analytical procedures with respect to information included in the condensed interim financial information
- ▶ Obtaining assurance evidence that the condensed consolidated interim financial statements agree with, or reconcile to, FMO's underlying accounting records
- ▶ Evaluating the assurance evidence obtained
- ▶ Considering whether there have been any changes in accounting principles or in the methods of applying them and whether any new transactions have necessitated the application of a new accounting principle
- ▶ Considering whether management has identified all events that may require adjustment to or disclosure in the condensed interim financial information
- ▶ Considering whether the condensed interim financial statements have been prepared in accordance with the applicable financial reporting framework and represents the underlying transactions free from material misstatement.

Amsterdam, 14 August 2024

EY Accountants B.V.

signed by P.J.A.J. Nijssen

LIST OF ABBREVIATIONS

AC	Amortized cost
AEF	Access to Energy Fund
CET1	Common Equity Tier 1
CFM	Climate Fund Managers
CRD	Capital Requirements Directive
CRR	Capital Requirements Regulation
DFCD	Dutch Fund for Climate and Development
DNB	De Nederlandse Bank (Dutch Central Bank)
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortization
EC	European Commission
ECB	European Central Bank
ECL	Expected Credit Loss
EDFI	European Development Finance Institution
FMO IM	FMO Investment Management
FV	Fair value
FVOCI	Fair value through other comprehensive income
FVPL	Fair value through profit or loss
FX	Foreign exchange
GCF	Green Climate Fund
GDP	Gross Domestic Product
IAS	International Accounting Standards
IFRS	International Financial Reporting Standards
IMF	International Monetary Fund
IPC	Irrevocable payment commitment
IRC	Investment Risk Committee
KYC	Know Your Customer
LIBOR	London Inter-Bank Offered Rate
MFF	Mobilizing Finance for Forests
OCI	Other comprehensive income
PP&E	Property Plant and Equipment
RI	Reduced Inequalities
SRB	Single Resolution Board
SRF	Single Resolution Fund

ADDITIONAL INFORMATION

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REPORTING SCOPE

This interim report covers activities that took place or had effect on the first six months of 2024.

FMO published its integrated annual report 2023 in March. This report is audited by the external auditor. Please read the 2023 auditor's report for detailed information on the scope and result of their work. Previous reports are available on reporting.fmo.nl or via annualreport.fmo.nl